

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L TEL AVIV 004417

SIPDIS

E.O. 12958: DECL: 07/18/2015

TAGS: [ECON](#) [PREL](#) [IS](#) [GAZA](#) [DISENGAGEMENT](#)

SUBJECT: EIVAL GILADY'S VISION OF POST-DISENGAGEMENT GAZA

Classified By: Charge d'affaires Gene A. Cretz for reasons 1.4 (b) and (d).

1. (C) Summary: Brigadier General (res) Eival Gilady, a special advisor to PM Sharon on disengagement, met with Assistant Secretary Welch, Ambassador Kurtzer, and Lt. General Ward to discuss post-disengagement Gaza and future relations between Israel and Gaza. Gilady said that Israel will not trust a third party to carry out customs enforcement at the Rafah crossing. Gilady envisions a construction boom in Gaza and a minimal Israeli "fingerprint" once disengagement is complete. End summary.

2. (C) Gilady said that it is in the interest of both the GOI and the PA to have the customs point between Egypt and Gaza moved to Kerem Shalom (where Egypt, Gaza and Israel meet) after disengagement is completed. The GOI, however, will not, he said, trust a third party with customs enforcement at the Rafah crossing. Regarding possible restoration of the Gaza airport, Gilady commented that "this is more a symbolic than an actual need (for the PA)."

3. (C) Gilady said he foresees a Gaza construction boom within 6-8 months after disengagement is complete. Over the course of the next six years Gilady said he would like to help attract investors to build 100,000-150,000 apartment units in Gaza. In Gilady's view the construction should be completed by private investors, not the PA. Gilady envisioned linking mortgage insurance for the new apartment owners to their employment, and said such a program would encourage the development of "moderates" in Gaza. Gilady views construction as the main driver in Gazan economic recovery, as industries like tourism are more sensitive to security.

4. (C) Gilady compared the path to, and aftermath in Gaza of, disengagement to the chaos of Yasir Arafat's funeral. In the end, however, "Arafat ended up in the ground." Gilady said that he wants the GOI fingerprint in post-disengagement Gaza to be minimal because "this is the first time that Palestinians will govern on their own."

5. (C) Assistant Secretary Welch commented that real developments on the ground are needed to underline Gilady's points because the Palestinians are not sure "that Gaza is going to be theirs." He noted as well that the USG has invested major foreign policy resources in disengagement and wants the process to be a success. Gilady agreed, but commented that it is better to get disengagement right, if not quite in time for the beginning of disengagement, than wrong but on time.

6. (U) This message has been cleared by Assistant Secretary Welch.

Visit Embassy Tel Aviv's Classified Website:
<http://www.state.sgov.gov/p/nea/telaviv>

You can also access this site through the State Department's Classified SIPRNET website.

CRETZ